

CITY OF SAN DIEGO
M E M O R A N D U M

DATE: May 15, 2007

TO: City Council Members
Office of the Independent Budget Analyst

FROM: Jay M. Goldstone, Chief Financial Officer
Mary J. Lewis, Financial Management Director

SUBJECT: Response to IBA Report 07-46

After a careful review of the IBA's "Review of Mayor's Proposed Fiscal Year 2008 Budget" (IBA Report) dated April 27, 2007, the following are comments to some of the underlying budget assumptions contained in the IBA Report.

This memorandum outlines areas of disagreement with some of the assumptions, corrects misinterpretations of the fiscal year 2008 budget information and points out areas of agreement. Also noted are some of the changes or corrections to the fiscal year 2008 budget that have been included in the May Revise. The first section responds to the recommendations found on page 10 of the IBA Report, while the second section presents the response to budget issues raised in the IBA Report that are specific to departments.

Response to IBA Recommendations

Tourism Marketing District (TMD)

The TMD revenue projected in the Fiscal Year 2008 Proposed Budget was \$7.6 million based on the expected start date in the fall of 2007, or approximately 10 months of revenue to be collected in fiscal year 2008. In the memo issued on April 18, 2007 discussing potential items to be included in the May Revise, it was noted that due to the revised schedule for implementation, the projected revenue to be received from TMD is approximately \$5 million, the estimated revenue for six months.

The IBA has suggested that until the TMD is officially established that the City should not include revenue (or anticipated savings) from this source in the proposed budget. Staff disagrees with this recommendation. After much discussion with staff directly involved with the formation of the TMD and representatives from the hotel industry leading the effort to establish the TMD, it was determined that the risk of the TMD not being approved was minimal and thus it was appropriate to include this revenue source in the proposed budget.

The Procedural Ordinance has been introduced and the second reading is scheduled for May. If approved by Council, the TMD would move ahead in the first quarter of fiscal year 2008, as it has strong support from the hotel industry. The Mayor's May Revise will include \$5 million in TMD revenue for fiscal year 2008.

Financing Deferred Maintenance Projects

The IBA Report calls for the exclusion of capital projects reliant on the funding from bond proceeds. In the May Revise, deferred maintenance projects totaling \$25 million will be budgeted with revenues projected from bond financing (see **Attachment I** for a list of projects). The IBA's recommendation appears to be based on the assumption that deferred maintenance and capital improvement projects would be financed only through a public bond offering, and since it has not been determined when the City will actually access the public markets, these projects should not be budgeted.

Although the City expects to access the public markets by the fall of calendar year 2007, staff will pursue private financing, if necessary, to move these projects forward. The City's recent experience with private placement financing has been positive and the interest rates have been only marginally higher than it would have been with a public offering. Even with this higher interest rate, it may prove to be more cost-effective to proceed than to wait for a public borrowing and be subject to increased construction costs. Financing options will continue to be evaluated for the most cost-effective approach considering the cost of borrowing compared to future cost increases. In addition, staff would consider refinancing options through public borrowing if interest rates prove to be more favorable when access to the public markets is available.

Police Department

The Police Department identified the need for 21.00 FTEs for Northwestern Station and requested that 14.50 FTE sworn positions (not 19.00 sworn officers as stated in the IBA Report) and 4.50 civilian positions be added to the Fiscal Year 2008 Budget. The Police Department is experiencing a high vacancy rate for sworn officers and it was determined that additional sworn positions were not needed by the department in fiscal year 2008. These sworn positions will not be added back into the Fiscal Year 2008 Budget in the May Revise.

Position Reductions: Reinstatement of Hourly Positions

Departments throughout the City have historically budgeted hourly positions in a variety of ways. In an attempt to standardize the budgeting approach for hourly positions, the costs associated with the positions were allocated to a specific personnel expense account designated for temporary help and the Full-Time Equivalents (FTEs) were removed. The goal behind this action is to have departments manage resources for hourly positions to a budgeted dollar amount and not to an FTE. The final budget document will provide information regarding the number of FTEs that the dollars budgeted in the temporary labor account represent, but will not include this labor as FTEs in fiscal year 2008.

Leveraging City Assets

The Real Estate Assets Department has identified 19 properties that serve no useful purpose for the City with an estimated value of approximately \$41 million. Later this month, the City Council will review the request to authorize the sale of these assets. (Please refer to **Attachment II** for the list of the properties.) The Fiscal Year 2008 Proposed Budget includes a conservative estimate of \$15.3 million in revenue from the sale of these properties which is approximately 38 percent of the projected revenue. Two thirds of these revenues or \$10 million will be used to fund capital projects for ADA compliance, such as retrofitting of facilities and curb cuts in sidewalks. The additional \$5.3 million in revenue from asset sales will fund capital improvements in city facilities, including roof replacements, heating and air conditioning systems and other improvements. This revenue projection is conservative and realistic. In addition, the City incurs no risk since revenue must be realized for projects to begin incurring expenses.

Citywide Department

The Fiscal Year 2008 Proposed Budget for Citywide Department includes an unallocated expenditure of \$2.3 million. This amount will be allocated in the May Revise for expenditures that include \$750,000 to be transferred to the Auditor and Comptroller's budget to cover the projected cost of temporary staff to assist with the preparation of the outstanding CAFRs and the development of internal controls, \$185,000 for Labor Negotiations and \$150,000 to support the Charter Review Committee.

Tobacco Settlement Revenues

In fiscal year 2006, the City securitized \$10.1 million of the revenues (Tobacco Settlement Revenues (TSR) it receives under the Master Settlement Agreement (MSA) with tobacco companies. According to the securitization agreement, any TSR amount received in excess of the pledged \$10.1 million will be returned to the City as an annual residual after the TSR payments are made by the State of California each April. According to the estimates from Public Resources Advisories Group (PRAG) at the time of the securitization of the TSRs in 2006, the projected TSR payment for calendar year 2008 was estimated to be approximately \$11.2 million, returning \$1.1 million to the City.

At the time the Fiscal Year 2008 Proposed Budget was published, the City was notified by the California Department of Justice that the estimate for the TSR payment for calendar year 2007 was approximately \$8.9 million. This has subsequently been revised upward, but still below \$10 million. PRAG estimated the calendar year 2007 payment at \$10.4 million. Based on these lower projections, the more conservative amount of \$10.1 million was used when preparing the budget.

Purchasing and Contracting Revenue

The Purchasing and Contracting Department will not realize \$930,000 in revenue in fiscal year 2008 due to a reduction of 2.00 revenue-generating FTEs, the reclassification of 3.00 positions into non-revenue generating FTEs, and a reduction in SLAs related to services for capital improvement projects. As a result, revenue will decrease by \$930,000. This revenue should not be budgeted and was appropriately removed from the Fiscal Year 2008 Proposed Budget. Purchasing and Contracting in its entirety will be included in the General Government Service Billing (GGSB) as it is revised and all costs will be appropriately charged to Non-General Fund departments.

Reserves

There are no funds to reprogram for Fiscal Year 2008 Budget requirements as a result of the Mid-Year Budget adjustments. First, \$5.4 million was approved by the City Council to be appropriated from the Unallocated Reserves, not \$4 million as stated in the IBA Report and most importantly, adjustments to the reserves in fiscal year 2007 affect fund balance and do not increase or decrease the funds available to support the fiscal year 2008 expenditures.

The IBA Report misstates the Mid-Year Budget adjustment. The recommendation to reprogram \$1.4 million assumes that Mid-Year Budget adjustment was \$4 million when \$5.4 million was appropriated by the City Council action. During the second public hearing of the Mid-Year Budget Adjustment Report, an additional \$1.3 million was added to the Citywide Department for the Public Liability Fund to fund pending litigation awards. While the ordinance approving the mid-year budget adjustments included the transfer of \$1.4 million in salary appropriations from the Police Department to the Fire Department, it also included the \$1.3 million funding for the Public Liability Fund. As a result, \$5.4 million was transferred from the Unallocated General Fund Reserve to fund the Council-approved budget adjustments.

The following is a breakdown of the Mid-Year Budget adjustments (all figures are rounded.)

\$ 3.0 M Repayments to Non-General Funds (Recycling, Refuse Disposal, Sewer, and Water)
\$ 4.8 M Public Liability Fund (via Citywide)
\$ 3.8 M Department Adjustments
\$ 11.6M Total Expenditure Increases

(\$ 6.2 M) Revenue Offset
\$ 5.4 M Net Impact to Reserves

Enterprise Resource Planning System

The IBA Report recommends that \$21.3 million for the ERP project should be budgeted as a capital project. The total financing for the ERP is \$29.5 million as presented in the Report to Council #07-060 in April 2007. The CIO will return to Council before the end of fiscal year 2007 for approval to expend approximately \$5 million for the purchase of the software. The funds to be programmed for this project are \$24.5 million in fiscal years 2008 and 2009 and will be included in the May Revise.

Enterprise Resource Planning (ERP) Budgeted Expense in General Fund

In the Fiscal Year 2008 Proposed Budget, the projected non-capital costs for the ERP project training, data integration, site travel, sales tax, etc. are budgeted in the ERP Fund for a total of \$4.3 million. Revenue to offset the projected expense is comprised of a \$3.5 million transfer from the 'A-List' Project Fund and an additional \$854,000 in revenue budgeted as an expense in General Fund and Non-General Fund departments based on a 54 percent allocation to the General Fund and 46 percent allocated to the Non-General Funds. This additional revenue to the ERP Fund is necessary to meet anticipated non-capital costs of the project next year. The General Fund portion, or \$458,000, is budgeted in the Citywide Department. The remaining \$384,500 in expense has been budgeted in Water, Metropolitan Wastewater, Development Services, and other Non-General Funds.

The project cost estimates in fiscal year 2008 for training and data integration (costs that are non-capital costs and cannot be financed) are based on industry standards and are best estimates at this stage of the project.

The IBA proposed that the \$458,000 budgeted in the Citywide Department be removed from the Fiscal Year 2008 Proposed Budget. This change would mean that the Non-General Funds would contribute proportional support for this citywide project in fiscal year 2008 but the General Fund would not. The expense for the ERP should remain budgeted in all City departments in fiscal year 2008.

Park and Recreation

Grant match funds totaling \$466,000 were omitted due to an oversight and will be included in the May Revise.

Healthcare Reform Savings

Healthcare reform savings are anticipated to be realized in fiscal year 2008, however, it is premature to budget these savings at this time until plan selections are made by employees. Employees will make plan decisions in June and until final selections occur it is not practical to budget reductions in flexible benefits costs in City departments. Budget adjustments before the true amount of savings is known would require departmental budget corrections next year. Information will be available after July 1 to determine the savings in each department and budget adjustments can be presented to Council mid-year to identify the savings amounts to re-appropriate for other spending priorities or to be transferred to Reserves.

Encumbrances

The IBA Report suggests that encumbrances are included in the Fiscal Year 2008 Budget and should be removed. Encumbrances are not included in the budget but are referenced in the Five-Year Financial Outlook as a \$3 million "budget cleanup." Closing aged encumbrances will affect the fund balance of the General Fund, thus requiring a reduced expense in Citywide to be transferred to the Unallocated Reserves to meet the reserve amounts targeted in the Five-Year Financial Outlook.

Department Recommendations and Observations

The following section includes comments from departments to issues raised in the IBA Report that were not addressed in the previous section. These comments clarify budget assumptions or correct specific items related to departmental budgets.

Environmental Services Department – Refuse Disposal and Recycling Funds

IBA Recommendations and Observations (Page 82, 83)

1. Other significant reductions to the Refuse Disposal Fund include \$262,000 in expenditure reductions due to cancelled or reduced Service Level Agreements (SLAs), \$527,000 in Information Technology and other non-discretionary reductions, and \$71,000 reduction due to the removal of the Environmental Library.
2. Based on figures in the budget document, the fund balance would be drawn down to \$1.2 million from a beginning balance of \$4.3 million. While there appears to be sufficient fund balance to accommodate this draw in fiscal year 2008, the Fund will likely not be able to sustain another year without an increase in Recycling Fees, otherwise known as AB 939 fees.

Corrections and Responses

1. The IBA's observation detailing the 'Effects of Budget Proposals' inaccurately references budget reductions for IT and other non-discretionary adjustments. Neither of the amounts (for the Refuse Disposal Fund or for the Recycling Fund) ties to the Significant Budget Adjustments section in the Fiscal Year 2008 Proposed Budget document for the IT and non-discretionary items. The total reduction to IT and non-discretionary expenditures for the Refuse Disposal Fund is \$273,970; the total reduction to IT and non-discretionary expenditures for the Recycling Fund is \$493,501. The dollar amounts listed in the IBA Report result from the IBA not including GGSB expenditures in the total for non-discretionary expenditures.
2. This is a policy call for the Mayor and Council whether to increase or not to increase fees. No increase to fees is anticipated at this time.

General Services

Street Division

IBA Observation (Page 85)

These position reductions reflect the transfer of 17.16 FTEs to other departments, including Police, Storm Water, Treasurer, and the General Services Administration Division.

Correction

The correct number of positions transferred as part of Fiscal Year 2008 Budget is 19.16 FTEs.

IBA Observation (Page 85)

The Proposed Budget includes a vacancy factor of \$1.2 million for the Street Division, or approximately 5.3 percent of budgeted personnel expenditures. In Fiscal Year 2007, the budgeted vacancy factor was \$466,000, or 2.0 percent of budget personnel expense. The cause for the significant increase in vacancy savings in fiscal year 2008 is unclear and we are concerned that this vacancy factor is too high, particularly given the increased funding and anticipated ramp-up in service.

Response

After fiscal year 2008 eliminations and transfers, the Division will still have 45.33 vacant positions. The large variation and increase of the vacancy factor in fiscal year 2008 can be attributed to the pending Street Division BPR; a number of the vacant positions to be eliminated for efficiency have remained vacant for varying amounts of time in anticipation of the Streets Division BPR by the Department.

IBA Observation (Page 85)

While the Street Division is able to perform a significant amount of preventative maintenance, additional funding in this area may be necessary in the future, particularly given the significant cost increases for overlay and slurry sealing over the past several years.

Response

The increase to \$450,000 per mile of overlay in fiscal year 2008 incorporates the new requirement to retrofit curb ramps for pedestrians during overlay projects and other inflation (material costs). The increase to \$75,000 per mile of slurry seal in fiscal year 2008 accounts for increased gasoline costs and other material costs. The increases do seem reasonable due to these additional requirements and inflation factors. It should be noted that if actual costs per mile in fiscal year 2008 are lower than the estimated costs, Street Division will reinvest these savings and perform additional miles of resurfacing.

Publishing Services Division

IBA Observation and Recommendation (Page 90)

It is anticipated that the Publishing Services Internal Services Fund will end the 2008 fiscal year with a deficit. Depending on the efficiencies and cost savings that are derived from the Publishing Services BPR, the Division may need to request an increase in service rates or seek General Fund support to shore up the fund...Establish a financial plan to balance the fund by year-end prior to approval of the Fiscal Year 2008 Budget for Publishing Services.

Response

The Publishing Services Internal Service Fund is projecting a deficit at the end of fiscal year 2008 due to an on-going negative fund balance. Publishing Services has been aware of this issue and has several recommendations to remedy this issue, including expenditure reductions, proposal of fee increases, and possible BPR efficiencies.

Storm Water Pollution Prevention Division

IBA Observation (Page 90)

While it appears that the intent of budgeting such a high vacancy factor in fiscal year 2008 was to accommodate the lag time in filling new positions, the IBA is concerned that a vacancy factor of nearly 15 percent is exceedingly high and may result in a de facto hiring freeze.

Response

The high vacancy factor of 14.7 percent is due to the fact that the Storm Water Division is adding 13.50 FTEs to its Fiscal Year 2008 Budget and there is an anticipated lag time in hiring these positions. The Department plans to fill these positions as soon as possible after the beginning of the fiscal year and does not anticipate that this high vacancy factor will result in a de facto hiring freeze.

IBA Observation (Page 91)

While the lag time in these expenditures is certainly understandable given the ramp up in spending, the IBA is concerned that a similar lag in spending may also occur in fiscal year 2008, particularly given the significant increase in funding and the addition of new positions.

Response

While the Program understands the IBA's concern regarding the spending of its fiscal year 2007 budget, the Storm Water Division does not anticipate similar issues in fiscal year 2008. The spending lag in fiscal year 2007 is attributable to the increase in program funding and operations at the beginning of the fiscal year while the programs were not initiated until later in the fiscal year. The programs took some time to develop and launch. In fiscal year 2008, the program will be ready to expend its budget at the beginning of the year. Nonetheless, the Storm Water Division will be vigilant in monitoring its budget and spending patterns with the goal of fully expending its budget in fiscal year 2008 in order to comply with the requirements of the Storm Water Permit.

Library

IBA Recommendations and Observations (Page 92, 93, 95)

Tables "Library", "Librarian Position Reductions", page 92; City Heights Performing Annex, page 93; "Facts About the Library" table, page 95; New Facilities, page 95.

Response

1. *Correction to Table "Library" (page 92).* In the table on page 92 under 'Reductions', a line item is listed as "Close City Heights Performance Annex." The word "close" should be deleted because the Annex is not closing.
2. *Correction to the "Librarian Position Reductions" table (page 92).* The table at the bottom of page is not accurate. The text to the right of the table states the table is "Isolating the Librarian classification changes..." This may be an attempt to show all of the 31.10 FTE Five-Year Financial Outlook reductions as "Librarian" positions (see note at bottom of table), but there are other classifications included in these reductions.
3. *Correction (page 93).* At the top of page the report states "The City Heights Performance Annex is proposed for closure..." The facility has not been proposed for closure. Although the budget eliminates 1.00 Associate Administrative Analyst at the City Heights Performance Annex, the facility will remain open and the City will continue to schedule activities there.
4. *Correction to the "Facts About the Library" table (page 95).* The following data should be included for the item "Users of Public Internet Computers": fiscal year 2004: \$1,102,943 and fiscal year 2005: \$1,523,925.
5. *Correction to "New Facilities" (page 95).* Under "New Facilities", regarding the North University Community Branch, the report states: "It appears these [operating] costs were included in the FY 2006 operating budget...but subsequent reductions to the Library Department have likely negated these prior additions". This is restated under "Issues for Legislative Consideration" (page 96.) However, operating costs for the North University Community Branch Library were annualized in the Fiscal Year 2007 operating budget and the staffing needs for the branch were taken into consideration when determining Five-Year Financial Outlook reductions.

Office of the Chief Information Officer (CIO)

IBA Recommendations and Observations (Page 101, 102)

1. The Communications office is projected to generate \$7,186,001 in revenue in fiscal year 2007 and the subsequent total revenue for the entire Office of the CIO is projected to be \$10,876,264.
2. Request additional detail supporting the General Fund increase for information technology costs.
3. Request information to the 'A-List' project fund to determine appropriate levels of funding for fiscal year 2008.
4. Reduce revenue estimates to Information Technology Fund, and reduce departmental contributions, by like amount.

5. Eliminate Citywide Program Expenditure allocation of \$458,000 for ERP lease payment, and budget transfer of funds from Information Technology Fund to ERP fund, for any lease payment which may be required.

Responses and Corrections

1. The Communications Division is projected to generate \$6,819,597 in revenue in fiscal year 2007 and the subsequent total revenue for the entire CIO Department is projected to be \$10,509,860.
2. The General Fund increase for fiscal year 2008 is \$6.6 million. Some of the increase is a result of aging systems and overall upgrades to Information Technology. There have been many changes to the way Information Technology is budgeted from fiscal year 2007 to fiscal year 2008, including centralization of fixed costs, removing SDDPC overhead costs from established labor rates, and identifying and paying these overhead costs as a fixed cost within a centralized format.
3. The budgeted amount for the 'A-List' transfer in fiscal year 2008 is \$1.5 million. The anticipated projects for fiscal year 2008 are the electronic 1472 (E1472) project (co-sponsored by the City Clerk) at \$500,000 and the Computing Infrastructure Upgrade Project (CIUP) at \$1.0 million. The amount budgeted in fiscal year 2007 for the 'A-List' transfer was \$3.0 million. The fiscal year 2007 'A-List' projects funded electronic timecards, data warehousing/business intelligence, CIUP, and the Public Safety Communications Project (PSCP).
4. Revenue estimates for Information Technology Fund are accurate because the City is presently undertaking an unprecedented number of complex IT projects. In conjunction with the ongoing requirement for Communications Division to ensure all communications needs for public safety are met, it is important for the Office of the CIO to maintain contingency funds for unforeseen public safety mandates and requirements. The budget for the Office of the CIO in the Information Technology Fund totals nearly \$14 million in fiscal year 2008 which includes approximately \$900,000 in estimated fund balance representing a contingency balance of less than a 10 percent.
5. See page 4 for response.

Parks and Recreation

IBA Recommendations and Observations (Pages 104, 105, 106)

1. Include language, in the adoption of the Fiscal Year 2008 Budget, that explicitly waives Municipal Code §63.30 Utilization of the Environmental Growth Fund, per the Mayor's recommendation.
2. Develop a long-term strategic plan for the Environmental Growth Fund.

3. Page 104 Observations (reflected in table):
 - a. "Transfers/Swaps" line shows \$25,051 PE and (\$28,650) NPE with a total of (\$3,509).
 - b. "New Facilities – Annualizations" line shows \$334,466 PE and \$302,530 NPE.
 - c. "Additions" line shows \$307,199 PE and \$1,790,242 NPE with a total of \$2,097,441.
4. Page 105 Observations regarding new facilities (reflected in table.)

Response

1. Language to waive the Municipal Code §63.30 Utilization of the Environmental Growth Fund (EGF) will be included in the Fiscal Year 2008 Budget Ordinance.
2. The development of a long-term strategic plan for the EGF will be taken under consideration and presented to the City Council at a later date.
3. See attached table for corrections (**Attachment III.**)
4. See attached table for corrections (**Attachment IV.**)

Police

IBA Recommendation (Page 113)

The IBA is concerned that a structural underfunding still exists in the area of Information Technology (IT) for the Department. Allocation for these resources has changed citywide for fiscal year 2008, but the Department believes that they may be approximately \$500,000 short in this area, which the IBA concurs with.

Response

Upon further examination it has been determined that approximately \$200,000 of the \$500,000 in question is for computer maintenance. This amount has been budgeted in a central General Fund account, thus the Department is not underfunded in this area. During the CIO review process, the Police Department's phone usage budget was reduced based on fiscal year 2007 projected expenditures. Subsequent to the Fiscal Year 2008 Proposed Budget publication, the Police Department clarified that the portion of its phone budget that was reduced was intended for 'circuit and line charges' and inadvertently was combined with 'usage.' Upon further review by the CIO, the Police Department may require additional funding of approximately \$350,000 to meet IT needs and this will be monitored in fiscal year 2008 as the department completes its BPR.

CC: Honorable Mayor Jerry Sanders
Ronne Froman, Chief Operating Officer

Attachment I

Mayor's FY 2008 Deferred Maintenance Projects

Category	Amount
Streets/Right-of-Way Recapitalization/Repair Program	\$33 million
Street Resurfacing Program – 211.1 miles	\$25.5 million
• Overlay 37.8 miles - Capital Projects	\$18.5 million
• Slurry Seal 173.3 miles - Non-Capital Project	\$7 million
Sidewalk Replacement - Capital Projects	\$2 million
Storm Drain Program - Capital Projects	\$5.5 million
• Rowena Street – Storm Drain	
• Sixth Avenue – Storm Drain	
• Ransom Street – Storm Drain	
• La Playa Outfalls – Storm Drain	
• Campus Point – CMP	
• Glenn Curtis Road – Storm Drain	
• Alvin Street – Storm Drain	
• Ingulf Place – CMP	
• Outer Road – CMP	
• Keighley Court – CMP	
• Franklin Street – CMP	
• Norma Drive – CMP	
• Garnet Avenue – CMP	
• Neptune Place – CMP	
• Wenrich Drive – Storm Drain	
• Arista Street – CMP	
Facilities Recapitalization/Repair Program	\$5 million
Replace Roofs - Capital Projects	\$2 million
• Museum of Man Phase II	
• Serra Museum	
• Morley Field Senior Club House	
• Cadman Recreation Center	
• Redwood Club	
• Rancho Bernardo Comfort Station	
• Allied Gardens Pool/Mansard	

Attachment I

<ul style="list-style-type: none"> • College Rolando Community Center 	
<p>Replace HVAC - Capital Projects</p> <ul style="list-style-type: none"> • Oak Park Library • San Ysidro Recreation Center (Larson Field) • Kearny Mesa Recreation Center • Pacific Beach Recreation Center • Martin Luther King Recreation Center • Mira Mesa Recreation Center • Canyonside Recreation Center • Encanto Recreation Center • Golden Hill Recreation Center • Adams Recreation Center • Serra Mesa Recreation Center • Allied Recreation Center • La Jolla Recreation Center • Pacific Beach Library • View Point Plaza (Ridgehaven) • Casa Del Prado & Theatre (Boiler) • North Park Library 	<p>\$1.1 million</p>
<p>Gas Line Repair – Capital Project</p> <ul style="list-style-type: none"> • 20th & B Operations Yard 	<p>\$0.7 million</p>
<p>Condition Assessment – Non-Capital Project</p> <ul style="list-style-type: none"> • Facilities Phase II 	<p>\$1.2 million</p>

Attachment II

List of City Properties for Sale

<u>SITE #</u>	<u>NAME</u>	<u>FILE#</u>	<u>ADDRESS</u>	<u>USE</u>	<u>SIZE</u>	<u>DIST</u>	<u>APN</u>	<u>VALUE</u>
1	World Trade Center	S427-1	1250 6th Ave 92101	Highrise Office	127,990 sf	2	534-055-01	\$18,100,000
2	Crabtree Bldg	S431-1	303 A St. 92101	Office Building	30,000sf	2	533-433-27	\$2,250,000
3	Nautilus House	M102-1	801 Nautilus St. 92037	SFR - Residential	47,916sf	1	351-370-15	\$850,000
4	Genoa House	P617-1	5690 Genoa Dr. 92120	SFR - Residential	13,068sf	7	462-121-02	\$625,000
5	Fay Ave Duplex	M113-1	7021 Fay Ave. 92037	Duplex - Residential	30,000sf	1	R/W	\$3,000,000
6	Beaumont House	N105-2	6216 Beaumont 92037	SFR - Residential	9,147sf	1	357-062-02	\$1,670,000
7	33rd Street House	S511-1	904 33rd St. 92102	SFR - Residential	6,969sf	4	545-062-18	\$295,000
8	Maple St. 4-Plex	R411-3	505 W. Maple St. 92134	4-plex - Residential	12,632sf	3	533-072-20	\$600,000 **
9	Uptown Residential	Q427-1	Otsego Dr @ Brookes 92103	Vacant Residential	11,325sf	2	452-254-01	\$175,000
10	Grant Hill Parcel Mission Valley	S596-1	327 Langley St 92102	Vacant Residential	6,098sf	4	535-532-15	\$160,000
11	Commercial	P611	Fairmount/Camino Del Rio S	Vacant -Commercial	11,412 sf	7	R/W	\$460,000
12	UC Eastgate Site Morena Commercial -	K302-8	9514 Towne Ctr.Dr.	Vacant -Commercial	85,377sf	1	343-122-35	\$1,960,000
13	East	P318-1	E Side W. Morena Blvd.	Vacant-Commercial	11,929sf	6	R/W	\$1,050,000
14	Border Patrol Site	Z718-1	West of I-5 at US Border	Improv -Commercial	58,370sf	8	R/W	\$3,000,000 **
15	SE Cor Jamacha	S799-17	SE Cor Jamacha & Cardiff	Vacant-Commercial	25,000sf	4	R/W	\$725,000
16	Kearny Mesa Rd Morena Commercial -	St R/W	At Magnatron	Vacant-Commercial	32,324sf	6	R/W	\$300,000
17	West	P325-1	W Side W Morena Blvd	Vacant-Commercial	47,916sf	6	760-216-69	\$900,000
18	Terminix Lease Site	P313-3	4850 Pacific Hwy	Improv - Commercial	42,890sf	6	790-216-41	\$3,150,000
19	Filippi Lease Site	M509-1	5353 Kearny Villa Rd.	Improv - Commercial	30,753sf	6	369-110-01	<u>\$1,600,000</u>
**Estimated Value. Appraisal due 5/15/07								\$40,870,000 **

Source: Real Estate Assets Department

Corrected 05/17/2007

Attachment III

**Park and Recreation Department
Correction to IBA Report
Page 104**

	FTE	PE	NPE	Total
Fiscal Year 2007 Budget	851.10	53,404,502	30,735,857	84,140,359
Vacancy Factor (07)	-	1,606,170	-	1,606,170
Vacancy Factor (08)	-	(1,016,633)	-	(1,016,633)
Salary and Wage Adjustments	-	2,714,708	-	2,714,708
Increase to OPEB	-	1,149,250	-	1,149,250
<i>Subtotal</i>	<i>851.10</i>	<i>57,857,997</i>	<i>30,735,857</i>	<i>88,593,854</i>
Transfers and Swaps	(1.00)	22,156	10,000	32,156
Transfer to E&CP	(18.00)	(2,159,909)	(139,651)	(2,299,560)
Transfer to City Planning	(7.00)	(744,268)	(50,064)	(794,332)
Standardization of Hourly Positions	(118.65)	(766,251)	771,757	5,506
<i>Subtotal</i>	<i>(144.65)</i>	<i>(\$3,648,272)</i>	<i>\$592,042</i>	<i>(\$3,056,230)</i>
New Facilities	4.30	289,458	471,784	761,242
Annualizations	6.00	364,479	272,517	636,996
Additions	-	241,409	1,751,682	1,993,091
Additions Reservoir Recreation	-	-	3,412,015	3,412,015
Reductions	(80.28)	(5,335,273)	(307,760)	(5,643,033)
Reduction Grant Fund Match	-	-	(446,955)	(446,955)
<i>Subtotal</i>	<i>(69.98)</i>	<i>(\$4,439,927)</i>	<i>\$5,153,283</i>	<i>\$713,356</i>
Totals	636.47	49,769,798	36,481,182	86,250,980
Difference from 2007 to 2008	(214.63)	(\$3,634,704)	\$5,745,325	\$2,110,621

Source: Park and Recreation Department

Attachment IV

Park and Recreation Department Correction to IBA Report Page 105

New Facilities		
TITLE	FTE	Total
NF- 449- Additional Acres 2008*	0.00	\$44,000
NF - Thurgood Marshall Joint Use	0.00	\$43,964
NF-Rancho Encantada NP	0.00	\$64,598
NF-Torrey Del Mar NP	0.00	\$14,947
New Facility FY08 Mow Crew Major Maint*	3.00	\$388,535
Flo Jo Elem. School Joint Use-NF	0.15	\$16,870
Rodriguez Elem. School Joint Use-NF	0.13	\$15,302
Kennedy/Porter Elem. School Joint Use-NF	0.10	\$12,040
Park de la Cruz (Phase II)-NF	0.12	\$50,378
Teralta Park Comfort Station, etc.-NF	0.30	\$23,147
Ocean View Hills Joint Use-NF	0.50	\$87,461
New Facilities - Annualization		
Ann-449- Additional Acres 2007	0.50	\$30,221
Paradise Hills CP Improvements-Ann	1.50	\$127,283
NF-Nobel Athletic Area	1.70	\$172,000
NF-Naval Training Center Phase I	1.13	\$132,201
Normal Heights School Joint Use-Ann	0.15	\$10,052
Edison Elem. School Joint Use-Ann	0.02	\$2,113
Camino Ruiz NP	1.00	\$163,126
	10.30	\$1,398,238

The highlighted rows represent the correct information related New Facilities in the Park and Recreation Department.